positive raw stock, the Government have recently referred the matter to BICP (Bureau of Industrial Costs and Prices) with a view to working out the optimum price to be charged by M/s. Hindustan Photo Films Manufacturing Company Limited, a public sector undertaking.

Extension of liberalisation process

5697. DR. C. SILVERA: Will the PRIME MINISTER be pleased to state:

(a) whether Confederation of Engineering Industry has made recently some suggestions to the Government to extend the liberalisation process to some more areas;

(b) if so, the details thereof; and

(c) the action taken/proposed to be taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (PROF. P.J. KURIEN): (a) and (b). The Confederation of Engineering Industry in a Press Release on 10th August, 1991, have welcomed the new economic policies, presented agenda for further liberalisation and deregulation. The different suggestions are as follows:-

In regard to Trade Policy, CEI recommended Dollar Accounts for major exporters; issue of advance licences within 15 days; 40% EXIM Scrip rate for PMP companies; Single point processing of IPRS; freedom to set up companies in Europe, Japan and USA; Deemed Export status for the Service Sector; and a national plan for Marketing India and building its international image.

Under industrial Policy, it proposed that Indian Companies should also be permitted 51% equity; Reduction of Industrial Licensing to 2- 3% of Industry; a new Industrial Relations Policy; Abolition of price and distribution controls.

For the public sector, it suggested 50% Equity holding with Government and 50% with the general public; Privatisation to be started gradually with Service Industries and other select trend-setting companies; Abolition of price and purchase preference and "no monopolies'.

In regard to Fiscal and Monetary policy, it suggested that growth be sustained through support to Investment by restoring the earlier rate of Depreciation Allowance; reduction in Customs duties on raw materials and massive simplification of the tax system by adopting only 3 rates of Indirect Taxes the lowest for raw materials, and intermediate rate for components and highest rate for finished goods.

The CEI suggestions on the SSI Policy liberalisation included further hike in excise limits from Rs. 30 lakhs to Rs. 75 lakhs and Rs. 75 lakhs to Rs. 1.5 crore; simplification of the procedures or bank guarantees; freedom for SSI to go to more than one bank; and, full review of statutes and regulations covering SSI.

Further, some more recommendations have been made in regard to Competition Policy, Financial Sector, Capital Market and a new Development Bank.

(c) The Government has taken different policy measures in regard to Trade, Industry and Fiscal sectors recently and the effects of these measure on the industrial sector are being closely observed. Further, changes in policy measures would depend on the results of policy measures already initiated.

Efforts in Research and Development

5698. DR. C. SILVERA: Will the PRIME MINISTER be pleased to state: